

~~CONFIDENTIAL~~

Approved For Release 2005/09/28 : CIA-RDP79R00904A000700030009-5

(June 1961

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Situation in Greece

25X1

1. Greece is entering a politically unsettled period as the maneuvering begins for the next national elections, which must be held by the spring of 1962. Our view of the short term political outlook, however, is not as pessimistic as that given by Prime Minister Karamanlis. While we agree that the center opposition leaders show little effectiveness or statesmanlike qualities, it is also probable that Karamanlis' argument reflects a desire to discredit them in US eyes even more than they deserve.

2. We do not believe that any significant number of these leaders will enter a coalition with the Communist-front United Democratic Left (EDA) in the elections. They are not that

25X1

irresponsible or desperate, and few of them believe that such a coalition would benefit either Greece or themselves. Their present unwillingness to accept the electoral law is probably largely a bargaining tactic, and most of them are likely to settle for a few additional concessions. Under these circumstances, we believe Karamanlis will be returned to power in the next elections, although he may have to make some parliamentary arrangements with center groups.

3. We believe that the most important source of political danger for Greece arises from the trend toward polarization of power between the conservative Karamanlis forces and EDA. The Karamanlis government's failure to allay widespread social and economic grievances, coupled with the ineffectiveness of the center parties, is leading to growing popular support for EDA. Thus, although Karamanlis is likely to retain control of the government in the next elections, he is likely to face a stronger opposition on the extreme left. We do not believe that the Palace and the armed forces would permit EDA to take over power if it should try, but this kind of polarization between extremes would clearly lead to instability in Greece.

FOR THE BOARD OF NATIONAL ESTIMATES:

ROBERT M. KIST
Chairman